

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE BRISTOL COUNTY WATER AUTHORITY

Wednesday, January 9, 2013
450 Child Street, Warren Office, Warren, RI

Pursuant to proper notice, the regular meeting of the Board of Directors of the Bristol County Water Authority was called to order by Vice-Chairman Gosselin at 5:29 pm, 450 Child Street, Warren Office, Warren, Rhode Island.

Executive Director Pamela Marchand, Legal Counsel Ms. Sandra Mack and Ms. Sally McDonald and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, Paul Bishop, Joseph DeMelo, Kevin Fitta, William Gosselin, John Jannitto, Raymond Palmieri, Sr., Frank Sylvia

Directors Absent: Chairman Klepper

Public Input

Mr. Jeff Black stated he had requested the legal services rating sheets and minutes of the December 18 meeting and had not yet received them.

Vice-Chairman Gosselin responded this would be discussed later in the meeting.

1. Award of Contract — Maintenance of Supervisory Control and Data Acquisition (SCADA) Equipment and Telemetry Systems

Executive Director P. Marchand noted that this contract is for maintaining, installing, and programming existing and new instrumentation. Recommends to award low bidder Harbor Controls of N. Kingston, with the rates as shown on the bid sheet.

Director Jannitto made the following motion

MOTION: To award contract of Maintenance of Supervisory Control and Data Acquisition (SCADA) Equipment and Telemetry Systems to Harbor Controls of North Kingston, RI, on an as needed basis, at an hourly rate of \$80.00, as presented.

Director Sylvia seconded the motion.

Motion passed unanimously.

Chairman Klepper entered the meeting at 5:50 pm and took charge of the meeting.

2. Award of Contract — Legal Services.

Ms. S. McDonald, attorney of Cameron & Mittleman, made a statement to the Board concerning the Open Meetings Act for BCWA's December 18 meeting for interviews of legal candidates. As Cameron & Mittleman was involved in the interview process, they declined to provide any legal advice regarding the meeting. They have since spoken to the Attorney General's Office that stated the law was unclear with regard to whether interviews fall into the requirements of the Open Meetings Act. Because the law is unclear in this area it was recommended that the Board conduct the interviews again and post the meeting in accordance to the Open Meetings Act. Candidates should be given the option to have their interviews in open or closed session.

Motion was moved by Director Jannitto and was seconded by Director Gosselin:

MOTION: To contact the 5 firms that were previously interviewed for Legal Services, and request them to attend a repeat interview to take place on 1/16/13.

Chairman Klepper stated that the meeting will be held in closed session unless they wish to be interviewed in open session. Discussion will continue in closed session, with a vote by the Board to be scheduled in open session. Candidates will be contacted immediately and a quorum is not necessary for the interview process.

Mr. Gary Morse asked if the Attorney General was informed that discussion and a consensus had been reached by the Board on December 18.

Chairman Klepper stated that an unintentional error was made and as Chairman he accepted full responsibility.

Motion passed unanimously.

Mr. Black requested the score sheets on each candidate. Chairman Klepper stated blank score sheets could be provided, but information submitted by the candidates would be available after a candidate was approved by the Board.

Mr. Hewitt asked for the annual cap for legal services and the total paid in 2012 to Cameron & Mittleman.

Chairman Klepper stated that Ms. Mack's rate is \$375 per hour. The annual cap is \$60,000 for legal services. Outside of the cap is litigation, labor and bond work. Associate Counsel has done some work for BCWA and her rate is \$205 per hour.

Legal Counsel S. Mack stated that the general counsel bill for calendar year 2012 is \$60,000 and that amount has been reached for this year.

Director Jannitto made the following motion:

MOTION: To recess the meeting to enter Public Hearing.

Director Bishop seconded the motion.

Motion passed unanimously.

The meeting recessed at 6:00 pm.

The Board returned from the Public Hearing to the Board meeting at 6:30 pm.

Chairman Klepper stated that the Board was prepared to go forward tonight for a vote on a rate increase.

Motion made by Director Bishop:

MOTION: To increase water rates by 11%, 4%, 4%, 4%, 4% commencing March 1, 2012.

Director Allio seconded the motion.

Director Sylvia objected to the motion — the budget calls for 16.8% for new hires. If those positions were eliminated the rate could be brought down to 9%. He stated that he intends to propose 9%, 3%, 3%, 3%, 3%. That with this proposal we can accomplish what we need to do. The Board can always go back for another increase.

Director Bishop stated that the system needs major work just to make it safe. This work must be started now. The 12% increase is less than \$4.00 per month for each ratepayer.

Director Palmieri stated updates to the system need to be done now, we need to go ahead with this motion.

Director Allio stated that it would be irresponsible of the Board not to go ahead with this increase.

Director Jannitto stated he had concerns with this increase. BCWA does not need to create 2 high level positions that would create 2 percentage points for the rate increase. He stated that he would support a 9%, 4%, 4%, 4%, 4% increase. The Board reduced retiree benefits and now is looking to eliminate the Senior Citizens Discount.

Director DeMelo stated that this increase should be going toward the infrastructure. At this time we do not have a redundant water supply. This is not a large increase that we are voting on, but would need more information before voting.

Director Fitta read a prepared statement supporting 11%, 4%, 4%, 4%, 4% increase, attached.

Director Gosselin stated he supports the 11%, 4%, 4%, 4%, 4% increase with two restrictions. 1) This would be approval for a one year rate increase, with subsequent years to be approved before enacted, and 2) the 3 proposed new positions created in the Capital Plan must first come before the Board for approval.

Executive Director P. Marchand stated she had fine tuned the budget by reducing the expense for Providence Water, as they will not increase rates before fall; and reduced the

budgeted funds for the engineering project manager position, as filling the position would not be critical until fall. As BCWA will be doing \$30 million dollars of work in the next ten years, a project engineer was needed to take charge of the capital program to design, organize and manage the work and expenses.

Ms. Marchand noted that BCWA is spending over \$60,000 per year on consultants for the existing computer system. A new IT manager is crucial to the efficient design and installation of the new system programs throughout the organization, and will have numerous responsibilities for the day to day operation of the system, including training all of our employees.

An additional operations person is critical to a preventative maintenance program for the distribution system. In addition, BCWA will be losing employees, and their water utility expertise, due to retirements over the next few years.

Chairman Klepper mentioned that seven votes were needed to pass the motion.

Motion failed 6 - 3. Voting Aye: Chairman Klepper, Directors Allio, Bishop, DeMelo, Gosselin and Palmieri. Voting Nay: Directors Jannitto, DeMelo and Sylvia.

Director Gosselin made the following motion:

MOTION: To increase water rates annually by 10%, 4%, 4%, 4%, 4% commencing March 1, 2013.

Director Sylvia seconded the motion.

Motion failed 7- 2. Voting Nay: Chairman Klepper, Directors Allio, Bishop, DeMelo, Jannitto, Fitta and Palmieri. Voting Aye: Directors Gosselin and Sylvia.

Director Bishop made the following motion

MOTION: To adopt an 11% rate increase for the coming Fiscal Year 2014.

Director Fitta seconded the motion.

Motion failed 6- 3. Voting Aye: Chairman Klepper, Directors Allio, Bishop, Jannitto, Fitta and Palmieri. Voting Nay: Directors DeMelo, Gosselin and Sylvia.

Director Palmieri stated that we may be able to hire someone who is retired or has retired early who may already have benefits and we could hire him as our project engineer.

Director Sylvia made the following motion:

MOTION: To increase water rates annually by 10%, 4%, 4%, 4%, 4% commencing March 1, 2013.

Director Gosselin seconded the motion.

Motion failed 6 - 3. Voting Aye: Directors DeMelo, Gosselin and Sylvia. Voting Nay: Chairman Klepper, Directors Allio, Bishop, Fitta, Jannitto and Palmieri.

Director Gosselin made the following motion:

MOTION: To adopt an 11% rate increase, for one year, commencing March 1, 2013.

Director DeMelo seconded the motion.

Motion passed 7 - 2. Voting Aye: Chairman Klepper, Directors Allio, Bishop, DeMelo, Gosselin, Fitta and Palmieri. Voting Nay: Directors Jannitto and Sylvia.

Chairman Klepper stated that next meeting is scheduled for 1/16/13 to vote on the budget, of which 7 votes are needed, and also vote for legal services.

There being no further business, the meeting was adjourned at 7:45 pm.

Kevin Fitta
Secretary

**PUBLIC HEARING
OF THE BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, January 9, 2013
450 Child Street, Warren Office, Warren, RI**

Chairman Klepper called the hearing to order at 6:00 pm.

Robert Allio, Paul Bishop, Joseph DeMelo, Kevin Fitta, William Gosselin, John Jannitto, Allan Klepper, Raymond Palmieri, Sr., Frank Sylvia

Directors Absent: None

Chairman Klepper stated the Executive Director would give a presentation. After the presentation questions and comments would be taken from the audience.

Chairman Klepper explained that effective March 1 all customers would receive the same percent of a rate increase.

Mr. Hewitt asked if the \$6.9 million, dedicated to Shad Pipeline, would be put toward the Pawtucket line.

Executive Director P. Marchand stated that the financing for the Pawtucket line is not in the first five years of the BCWA budget, currently there is only engineering fees for design. Also, the \$6.9 million is not in the budget at this time stated Ms. Marchand.

Mr. Black asked how the Board could justify asking for a rate increase when BCWA is paying Ms. Mack \$375 per hour when the legal candidates interviewed were asking for an hourly rate of 25 – 45% less.

Chairman Klepper stated that counsel has served us well in the past. The Board voted 5 to 2 to continue with Cameron & Mittleman.

Ms. Gina McDonald asked for details of BCWA's cost reduction program for the past twelve months and BCWA's obligation to the pipe on Franklin Street and not to Poppasquash Road for fire service and drinking water.

Executive Director P. Marchand stated that a particular water main on Poppasquash Road had no fire flow when the BCWA took it over and the town was notified of this at the time, BCWA was only responsible for providing drinking water.

Executive Director P. Marchand explained that all shifts have been eliminated except for the day shift at the Treatment Plant. Maintenance is done during the day, pump station and facility work, water sampling collections and water quality work. The rest of the personnel are being cross trained in the distribution system and operators must be licensed.

There being no further business, the hearing was closed at 6:30 pm.

Kevin Fitta
Secretary